Achieving Total Systems Management (ATSM)

Acquisition Strategies to Increase Reliability and Reduce Logistics Footprint

PEO/SYSCOM Workshop
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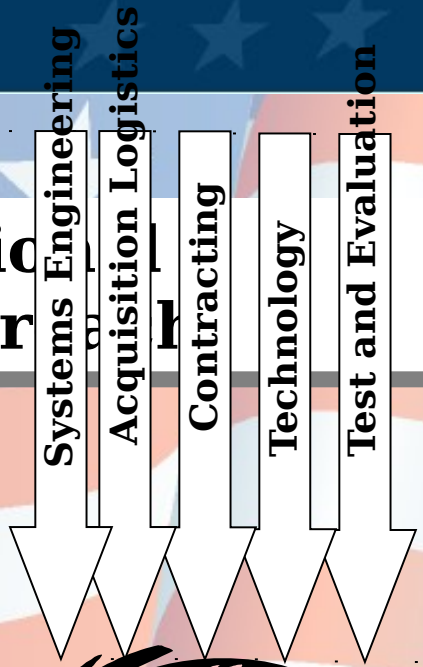
Workshop Outline

- Introduction
  - Increasing demands on acquisition/logistics system & program manager team
  - Capture PM best practices and expertise as knowledge-based guide book
  - Supported by new DOD 5000 flexibility
  - Supported by emphasis on best practices
  - Framework and schedule for ATSM* guide
- Workshop Activities
  - Facilitated break out groups
  - Joint session wrap up

*Achieving Total System Management

Acquisition Processes — *As-Is*

The Traditio[illegible] Functional Appr[illegible]



Functional Stovepipes

“End of Process” Integration

We can no longer afford this model

Weapons System Development, Production and Sustainment

Acquisition & Logistics Processes — *To-Be*

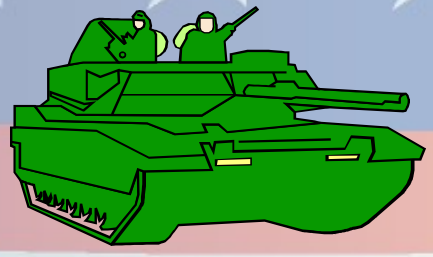
- Integrated acquisition / logistics process in support of capabilities
- Faster development and delivery of capability
- Designed-in reliability
- Continuous assessment and adjustment of acquisition and sustainment strategies
- Performance-based
- Cycle times that meet industry standards (or better)
- Minimal footprint

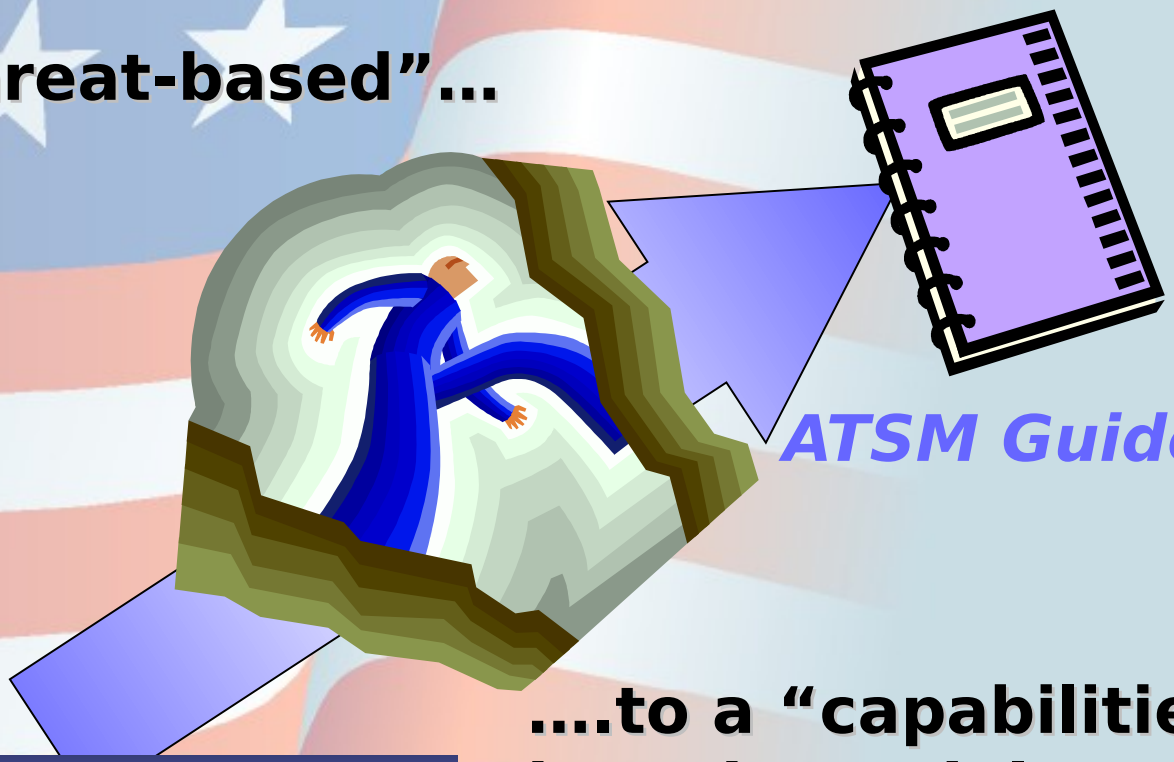
Acquisition & Logistics Processes New 5000 Series

- Policy Objectives of Revised 5000
  - Encourage innovation and flexibility
  - Permit greater judgment in use of acquisition principles
  - Focus on outcomes instead of process
  - Empower program managers to use the system without being hampered by over-regulation

Program Managers are the Bridge

From a "threat-based"…





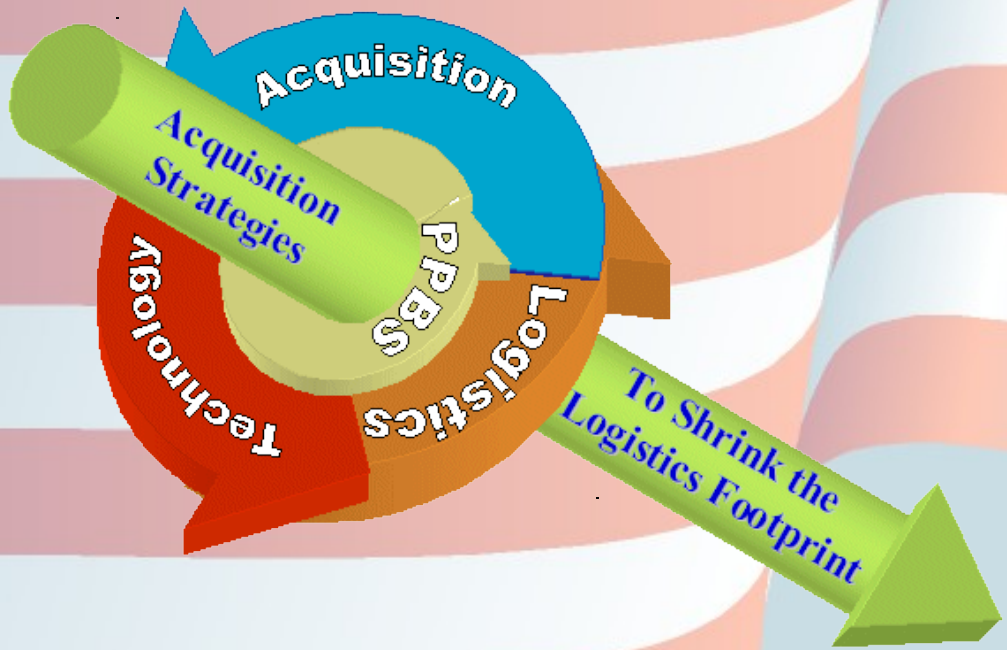
ATSM Guidebook

….to a "capabilities-based"

Concentrating knowledge of innovative practices for the PM team.

Achieving Total Systems Management (ATSM) Guide — Supporting the Program Management Team

ATSM Guide Concept:



PM Team Objectives:

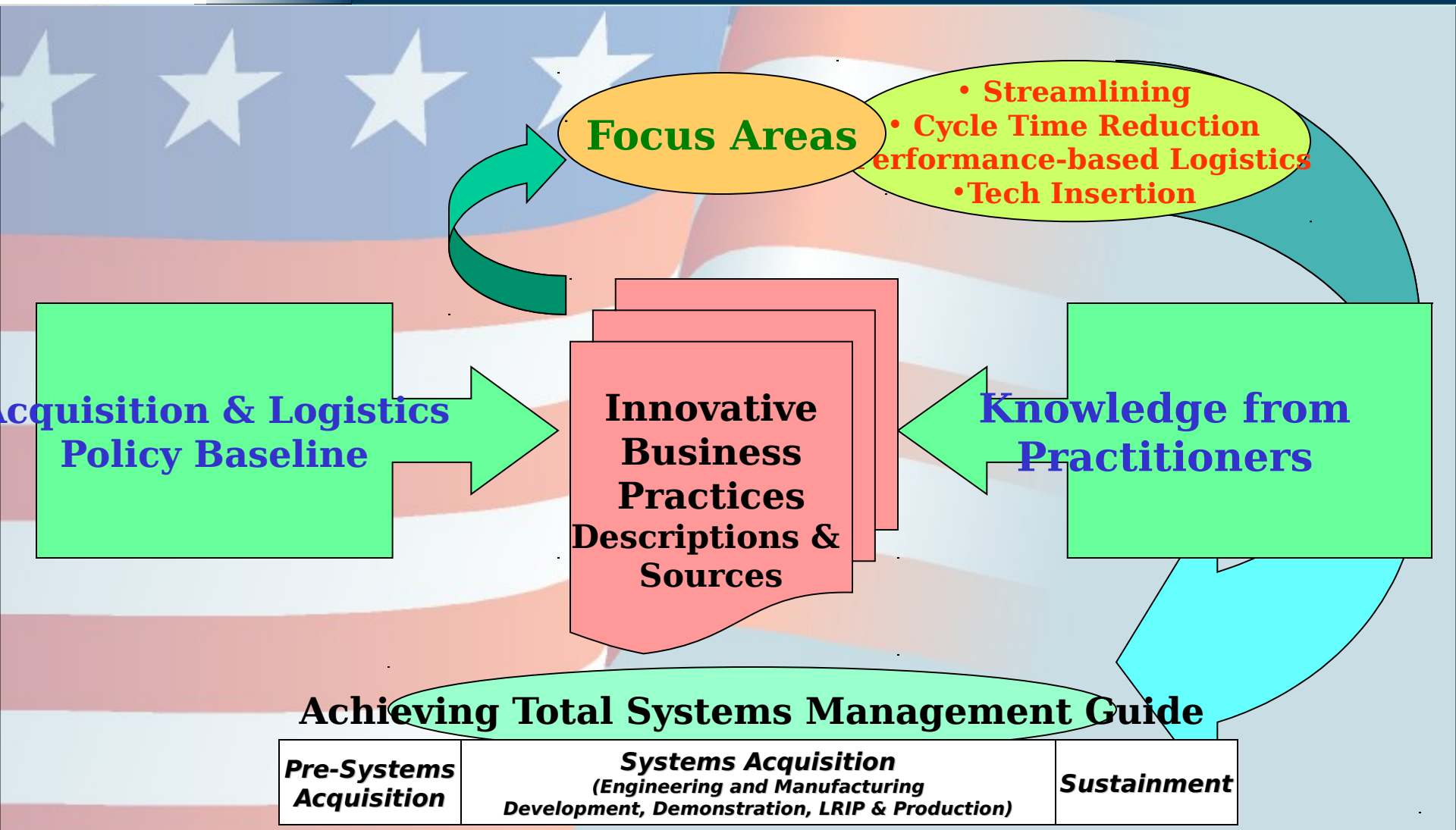
- Field effective capabilities rapidly, with low TOC, and minimal logistics footprint
- Reduce the costs of, and barriers to, working with the government
- Focus system engineering resources on key system parameters
- Design-in long-term performance, supportability, and reduced footprint
- Increased insight while reducing oversight
- Increase the efficiency of administrative and management processes
- Maximize concurrency, communications and accountability to focus acquisition strategy on users long-term needs and priorities

Innovative Business Practices — Six Broad Categories of Best Practices

- **Reliance on commercial capabilities** (e.g., Market research, commercial items, commercial technology, foreign capabilities, reduced Mil Specs/Stds, contractor configuration control and management, commercial logistics support, performance-based logistics, fast cycle-time modification and maintenance overhaul)
- **Accelerated processes** (e.g., Evolutionary acquisition, accelerated prototyping, accelerated contracting, accelerated test plans, accelerated field testing, paperless contracting, optimal testing requirements, maintenance and repair cycle time improvements)
- **Integrated process teams** (e.g.,Functional IPTs, government/contractor IPTs)
- **Integrated processes** (e.g., Supply chain and material management processes, integrated acquisition and management plans, IPPD, reduced government oversight, integrated data management)
- **Innovative engineering practices** (e.g., CAIV, reduced Mil Specs/Stds, performance specifications, open architectures, early RMS analysis, reliability-based analysis and in-service engineering)
- **Innovative contracting techniques** (e.g., performance-based contracting, contract length adjustments, supplier strategic alliances, performance-based payments, schedule adjustments, award fee, past performance, encouragement of competition, incentives)

ATSM tenet: Innovative business practices have a proven track record of helping PM teams implement effective acquisition strategies to shrink the logistics footprint.

Guidebook Framework



Guidebook Development Schedule

ATSM Team[1]

Developing the ATSM Guide:

Benchmarking With Knowledge Sources

Fall 2002

ATSM Draft Practices & Sources Descriptions

Winter 2002

Draft ATSM Guide

Coordination and Review

Summer 2003

Continuous Learning Module

Spring 2004

Final Implementation Guide

Winter 2003

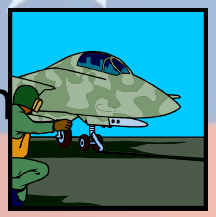
[1] **Office of USD(AT&L) and TASC**

Backup

Logistics Footprint

Logistics Workforce

System Acquisition

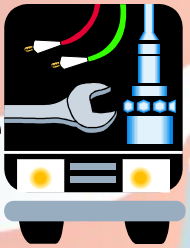


Consumables

System Requirements, Design Choices, Program Trades

Asset Management

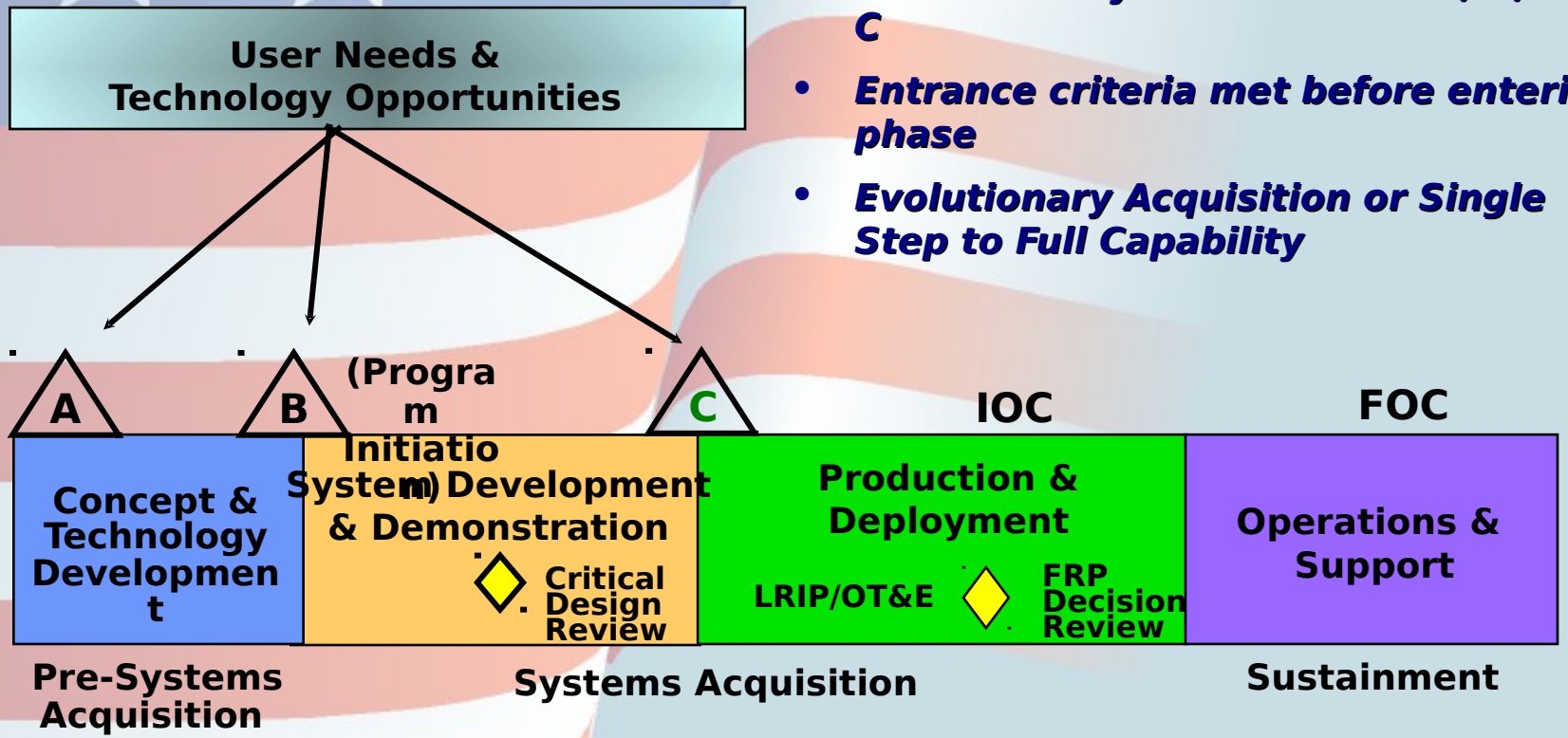
Packaging & Transportation



Repairable

Upgrade Acquisition

THE 5000 MODEL



- ***Process entry at Milestones A, B, or C***
- ***Entrance criteria met before entering phase***
- ***Evolutionary Acquisition or Single Step to Full Capability***